

Office of Chief Counsel
Internal Revenue Service

memorandum

CC:WR:NCA:SF:TL-N-6508-99
MTRobus

date: February 15, 2000

to: Chief, Examination Division, Northern California District
Attn: [REDACTED]

from: District Counsel, Northern California District, San Francisco

subject: [REDACTED] - [REDACTED] through [REDACTED]

As you know, [REDACTED] (hereinafter "the taxpayer") has advised the District that it wishes to designate an agent under Treas. Reg. § 1.1502-77(d). The agent to be designated is [REDACTED] (hereinafter "[REDACTED]"), a member of the old consolidated group during the years [REDACTED] through [REDACTED]. Towards that end, the taxpayer is currently in the process of securing designations executed by each corporation, or its successor in interest, that was a member of the former affiliated group during the period from [REDACTED] through [REDACTED].


The taxpayer intends to submit a designation letter for each taxable period, and, in that respect, the taxpayer's attorney has submitted to us for our review a draft of the first letter of designation for the period [REDACTED] through [REDACTED]. The taxpayer has chosen that period for the first designation of agent because of its need to timely file its return for the short period ending [REDACTED], and have that return signed by the designated agent. The draft designation letter is addressed to the District Director and includes one of the actual member corporation designations (there will be [REDACTED] executed member designations attached to the final letter) referred to in the first sentence of the first full paragraph on page 2 of the letter. Also included is the draft schedule of members likewise referred to in the same paragraph. That schedule identifies each member corporation that made a designation and the officer who executed each particular designation.

We have reviewed the draft of the proposed letter of designation and the enclosures. It is our conclusion that the draft letter and the sample member designation include all of the necessary elements for a proper designation. Also, under Treas. Reg. § 1.6062-1(c), the designations submitted by the extant

members of the old group can be accepted without further confirmation of the authority of the signatory to make such designation on behalf of the corporation. Accordingly, we believe that the taxpayer can be advised to submit the letter to the District Director for her approval and signature.

The taxable periods [REDACTED] and [REDACTED] are currently under examination and you are putting together the notice of deficiency for mailing sometime towards the end of March. It is anticipated that the designated agent will be in place for those years prior to the issuance of the notice. Hence, the notice should be sent to [REDACTED]. The statutory notice of deficiency should be addressed to [REDACTED] (EIN [REDACTED]), with an asterisk placed after the name of the company. At the asterisk at the bottom of the page you should type: "with respect to the consolidated tax liability of the [REDACTED] (EIN [REDACTED]) and subsidiaries consolidated group for the January 1, [REDACTED] through December 31, [REDACTED] tax years."

The above advice regarding sending the notice to the designated agent and the wording on the notice has been coordinated with Richard Heinecke and Steven Hankin of our National Office. Our advice approving the draft letter of designation, however, has not yet been approved as is required on all [REDACTED]. Please do not take any action on this advice until our National Office has had an opportunity to review this memo. That post-review will take approximately ten (10) days. In the meantime, if there are any questions or comments, please call the undersigned at (415) 744-9217. Thank you for your assistance.


MARION T. ROBUS
Attorney

Attachments

cc: James Lee, Case Manager, Examination Division,
Northern California District

Office of Assistant Chief Counsel
(Field Service) (CC:DOM:FS)